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RURAL GUIDEBOOK: STRATEGIC PLANNING

GUIDEBOOK FOR

COMMUNITY-BASED

STRATEGIC

PLANNING FOR

EMPOWERMENT

ZONES AND

ENTERPRISE

COMMUNITIES

BUILDING COMMUNITIES: TOGETHER

U.S. Department of Agriculture
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OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20250

Dear Friend of Rural America:

We hope that this Rural Guidebook for Strategic Planning will help you with your application under the President's Empowerment Zones and Enterprise Communities initiative. As you know, many rural communities have remained persistently poor, with a lack of employment and human development opportunities. The Empowerment Zones initiative will focus national attention on distressed rural communities that demonstrate leadership and innovation in solving their difficult economic and social challenges. These model communities will show how cooperative efforts between rural communities and federal, state and local governments, private and non-profit sectors and educational institutions can build a brighter future.

The program is designed in a very different manner. The initiative recognizes the need to stimulate innovative planning by calling upon the participating communities to develop strategic plans to guide economic and social development. While strategic planning is not a "cure-all" for economic and social development, it is a critical start for all communities seeking to make life better. We believe that every community that prepares an application for the Empowerment Zones Initiative will be strengthened as it takes stock of resources and considers actions on a collaborative basis to improve the quality of life in their community. This guidebook was prepared to provide you with some examples, ideas and advice as you undertake the application process.

The Empowerment Zones initiative recognizes that revitalizing distressed rural communities should not be the sole responsibility of the local governments. We believe that successful community development requires the active participation of community members, as well as the participation of federal, state and local governments, private and non-profit sectors and others.
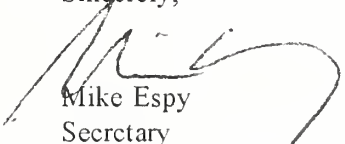
Most importantly, this initiative is about "empowerment" -- about helping rural communities determine their own futures.

Every family in America should have access to decent housing, good paying jobs and basic infrastructure. Our commitment at USDA is to encourage a renewed entrepreneurial spirit in rural America.

We are committed to making this program work for all applicants, regardless of eventual designation as Empowerment Zones or Enterprise Communities. We have assigned employees in every state to assist you in the strategic planning process and we will continue to work to provide the means for communities to take control of their destinies. We challenge you to guide us in how the federal government can be a partner in building a brighter future for your community.

Please accept our best wishes for the success of all your efforts.

Sincerely,

Mike Espy
Secretary

Bob J. Nash
Under Secretary

AN EQUAL OPPORTUNITY EMPLOYER

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Why Empowerment Zones?

The Empowerment Zones and Enterprise Communities (hereafter EZ/EC) initiative is a new program designed to help distressed areas improve themselves. The initiative stimulates vision and encourages leadership at all levels to resolve some of America's most difficult economic and social challenges. It is a ten-year process of partnership for economic and social development and demonstration in rural areas. USDA and other Federal agencies will be providing information, training, and technical assistance to rural communities. This *Guidebook* is a part of that assistance.

Program Benefits

The Empowerment Initiative will result in providing access to additional financial resources to those rural communities that are successful in the competition for designation. But the program is much more than funding.

A key part of the initiative is its emphasis on community strategic planning. The planning process in the initiative is a catalyst that can help a community create a better tomorrow. Strategic planning creates an opportunity to assess where a community is, where it is now going, and where it would prefer to be in the future. Its focus is on aspirations, strengths and capacities, not just on problems and distress.

At the same time, the initiative empowers communities to engage in bottom-up planning, where the community is a "customer" of government and the needs of the customer influence Federal action. The strategic planning process will identify specific ways the Federal government can respond to community needs. This includes identifying statutes, regulations, and practices that are barriers to economic improvement and recommending changes in them.

Goals of the Empowerment Initiative

The Empowerment Initiative will combine financial resources from several sources: Federal grants and loans, state financial assistance (including Federal pass-through dollars such as community development block grants), and local and private sector funds, including Federal tax incentives, and technical assistance from a variety of Federal, state, regional and local sources. The selection criteria encourage strategies that promote economic and community revitalization to position rural communities for vital roles in the 21st Century economy. The *Application Guide* includes a more complete description of the content of the initiative.

"The Vice President and I strongly believe that the best way to serve distressed communities in urban and rural America is through a comprehensive, coordinated and integrated approach that combines bottom-up initiatives and private sector innovations with responsive Federal-State support. Today, I direct the Federal agencies to work cooperatively to implement this approach in a way that reflects the principles of the Vice President's National Performance Review—i.e., meeting the needs of local communities through a performance-measured, customer-driven philosophy and a cross-agency approach.

*President Bill Clinton
Letter to Cabinet Members,
September 9, 1993*

The major provisions of the Empowerment Zone and Enterprise Community program are:
- Targeting of high-poverty areas
- Community empowerment and community organization
- Involvement of low-income people, government, business, community groups and others in planning
- A ten-year time frame and a multi-year strategic plan

Key Objectives

Self-Sufficiency and Economic Self-Support	Activities should help individuals, families, and communities become economically self-sufficient and self-reliant.
Innovation	When appropriate, funds and tax incentives should be used to break away from traditional ways when new methods can offer greater economic rewards in the future.
Partnerships	Partnerships should be formed, both within the community among diverse social groups and with the Federal and state governments, other local communities, private businesses, and nonprofit organizations to focus resources through lasting alliances.
Coordination	Problem-solving initiatives should be comprehensive, coordinated, and integrated to assure that developmental challenges are tackled holistically, rather than piecemeal.
Barrier Removal	Barriers to development and self-sufficiency—at all levels of society and government—should be identified and removed.

Who Can Be an Empowerment Zone or Enterprise Community?

The initiative directs resources towards impoverished rural areas that are nominated for Empowerment Zone and Enterprise Community status by state and local governments, or by State-chartered economic development corporations, and designated as either an Empowerment Zone or an Economic Community by the Secretary of USDA. A strategic plan must be developed for each area. The state and local governments involved in nominating each area must provide written assurance that the plan will be carried out.

Beyond this, however, the program provides great flexibility regarding 1) appropriate boundaries for a Zone or a Community, 2) what local organization should assume primary responsibility for preparing an application (including the strategic plan), and 3) what organization should make certain that a strategic plan is implemented. These decisions are a local responsibility. This *Guidebook* explores some of the options available to local areas, but does not prescribe a course of action.

Choosing Boundaries

Selecting boundaries is a matter both of eligibility and of defining areas that will work together effectively. Eligibility is based on the characteristics of individual census tracts (or, in many rural areas, block numbering areas). Eligibility rules are spelled out in the statute and program regulations and are described in detail in the *Application Guide*. USDA staff or the State Data Center may help to confirm the prospective eligibility (with and without waivers) of sets of census tracts or block numbering areas.

Also important is whether the area will make an effective economic development unit. Defining the area will very likely involve at least some negotiation at state and local levels. Since one objective of the initiative is to create self-sufficient, self-reliant individuals, families, and communities, this goal should focus and drive decision-making about area boundaries. In general, areas should be large enough to be competitive as economic units. In rural areas, single municipalities are seldom large enough by themselves and regional approaches that combine several municipalities, or even parts of several counties, may be more effective.

Since Empowerment Zones and Enterprise Communities are developed based on census tract (or block numbering area) boundaries, there is no necessary connection between Zone or Community boundaries and those of local governments and the service areas of existing public and non-profit community, economic, and human development agencies and organizations. This need not be a problem, if an effective overall organizational structure is established that involves representatives from the governments and organizations whose jurisdictions are affected by the Zone or Community.

Choosing an Organization

The statute allows total flexibility in choosing an organization to take the lead in preparing the application or managing implementation of the strategic plan. While state and local governments or State-chartered economic development corporations must *nominate* the area, especially where multiple governmental jurisdictions are involved, other forms of organization are possible both as applicant and as manager of the area's strategic plan.

The following organizational roles exist in implementing a strategic plan:
- Taking the lead in developing the strategic plan
- Assuming responsibility for developing an application
- Operating programs that implement parts of the plan
- Providing training and support to program operators
- Assessing progress
- Promoting change and directing refinements in initiatives

Any local organization can play more than one of these roles, or a partnership of entities may be created to perform them. Community officials have the option to use an existing organization as the basis for the Empowerment Zone and Enterprise Community, or they may choose to create new mechanisms specifically designed for this purpose. Organizations may include governments, quasi-governmental bodies, non-profit and community-based organizations, and for-profit businesses. In fact, the strongest applications will probably be those which

find meaningful roles for a wide range of community institutions in designing and implementing the strategic plan.

In deciding who will assume primary responsibility for preparing the application, consideration should be given to the need to be innovative, to develop and use partnerships, to coordinate efforts, to identify barriers to self-sufficiency and economic self-support, and to use local resources effectively. Seeking designation as an Empowerment Zone or an Enterprise Community is not just a job for staff, and it is definitely not just a grant writing task. It is a series of community motivation and mobilization tasks. Community leaders should search for the organizations and people who have the skills needed for this task.

Finally, the initiative places much emphasis on a community's ability to draw on local resources to implement the plan and the innovations and partnership development it describes. Successful communities will devote local resources to capacity building and continuous community improvement and will regularly measure their progress. Communities that clearly build in operational considerations like these may be more competitive in the designation process than those that do not. The Empowerment Initiative seeks not just good planning but also good implementation.

Empowerment Zone or Enterprise Community?

For communities that meet the program's poverty criteria, deciding whether to seek Empowerment Zone status or Enterprise Community status is entirely a local matter. The two key elements in this decision are the extent to which applicants can secure the commitments required to fulfill the obligations of an Empowerment Zone or Enterprise Community, and the extent to which the use of Empowerment Zone and/or Enterprise Community funds and tax incentives can be meaningfully addressed in an applicant's strategic plan. All applicants for Empowerment Zone designation will automatically be screened for Enterprise Community designation. It is not necessary that two separate strategic plans be prepared, but dual applicants should include alternative proposals at key points that reflect the differences in what they will be able to finance under the Empowerment Zone and Enterprise Community options. (The *Application Guide* describes benefits provided by Empowerment Zones and Enterprise Communities.)

Some communities that do not quite meet the poverty criteria needed to qualify as an Empowerment Zone can still qualify as an Enterprise Community. The Application Guide describes the poverty criteria waivers that can be obtained in certain cases and the procedure to use to seek such waivers.

When: Timetable and Deadlines

During February 1994, USDA will sponsor a series of regional workshops, open to the public, to provide detailed information about the initiative. The names and telephone numbers of resource people in each state will be provided so that potential applicants can obtain answers to their questions. There is no reason, however, why a community should wait for these workshops to get started. They are simply being held as a way to answer any questions communities may have about the program.

There is no deadline for filing a Notice of Intent to Participate. In fact, there is no requirement that one be filed at all. The purpose of this notice is to alert USDA of which organizations are preparing applications. That way, any late-breaking information about the program can be provided to applicants. Also, it will help USDA stay in touch with applicants to provide assistance during the application process.

Applications must be received by USDA no later than 4:00 EDT on June 30, 1994. Applications received after this time cannot be considered.

Applications will be reviewed starting on July 1, 1994. Some, but not necessarily all, rural Empowerment Zone and Enterprise Community areas will be designated by the Fall of 1994. Applicants may begin implementing their strategic plans using local resources whenever they choose to do so, even before designation. From that point on, the timetables included in individual EZ/EC strategic plans will drive most local activities.

How: Preparing an Application

Importance of Process

The initiative is much more than an application for funding; it is the beginning of a process for long-term local improvement. It is a strategic vision for change, solid community partnerships; it identifies new resources, and creates new approaches to achieving economic opportunity and community improvement. Strategic planning is a way of thinking about the social and economic environment, of deciding what a community wants to do, and of continually updating its goals and methods.

It is critical that the strategic planning process be open and community-based. It must be inclusive of the full range of organizations and social groups within the applying community; it must be a "we" process, and not "they." It should continually expand the number of people involved in planning, and should recognize that differences of opinion are a healthy part of the process.

It is especially important that low-income residents be represented and involved in the community planning process. The purpose of this program is to create development and investment strategies that will enhance their economic well-being and improve their lives, enabling them to become more productive members of society. The initiative is, as its name makes clear, an **empowerment** program. As a part of its strategy for community empowerment, an applicant should begin by encouraging low-income people to participate in the planning process. They should be at the table when key decisions are made, and they must have responsibilities for carrying them out. Throughout plan development and implementation, they should have an on-going role: as beneficiaries from community investments, as active partners in carrying out the plan, and as participants in regular assessments of progress and updates to the plan.

Nominators and Applicants

Choosing the right organization to serve as the Applicant Entity (AE) is an important early decision. The small size of most rural communities makes them too small to be effective units for developing and carrying out the kind of forward-looking strategic planning called for by the Empowerment program. Thus, in many rural areas, an Applicant Entity (AE) that serves a broader regional area may be appropriate.

Equally important is the role the Applicant Entity will play during the application process, and afterward. Successful plan development, as well as successful implementation, requires not only broad community participation but effective follow-through. Among the roles which Applicant Entities may play are the following:

- **Building an effective planning environment:** the Applicant Entity may need to initially help structure the environment in which it will operate, both during the planning process and afterward
- **Planning:** the Applicant Entity may help shepherd the planning process and may do some of the research needed for the strategic plan
- **Creating good working relationships:** the Applicant Entity will need to maintain good working relationships with the nominating local government officials
- **Building community partnerships:** since the program encourages broadly based community partnerships, the Applicant Entity should be able to create and sustain processes that ensure that low-income people are involved throughout the process
- **Managing the planning process:** the Applicant Entity should be able to help manage the community-based planning process
- **Developing comprehensive strategies:** the initiative calls for plans that are more comprehensive than any ever required before, so the Applicant Entity should be able to manage a wide breadth of subject matter and participants
- **Being an innovator:** the Empowerment calls for innovative responses to tough community problems, so the Applicant Entity should have the ability to stimulate ideas that contribute to creative community solutions
- **Developing new programs:** creative solutions call for new program approaches; the Applicant Entity should be able to assure that new programs are developed
- **Bringing resources:** The program calls for a broad community commitment to implementing the plan; the Applicant Entity may need to bring some resources to the table to help make this plan happen

Some communities already have a governmental unit, community action agency, or other nonprofit agency that can perform these roles; others may

not. Some communities may need to create a new entity or a consortium arrangement of some kind. Because ability to follow-through is critical to the success of the initiative, it is important for communities to start developing criteria early in the process to identify the best possible AE for its planning process.

Six Steps to an Application

There is no single process that is the "right way" for a community to develop its application. Following is one way among many that can be used:
1. Answer **eligibility** questions. What census tracts are eligible?
2. **Decide to apply** for designation and **file the Notice of Intent to Participate** (the pre-application notice).
3. Make **role and responsibility assignments**, including the identification of a facilitator who will help guide the process.
4. Create a **response structure**.
5. Develop a **strategic plan**.
6. Prepare an **application package**.

Each of these steps is explored in the sections that follow.

Step 1: Answer Eligibility Questions: What Census Tracts Are Eligible?

Determining the eligibility of tracts to be included should be done as soon as possible. This insures that planning efforts are productively focused. Applicants can contact the State Data Center to get the census maps and lists of tracts. Also, Rural EZ/EC State Contacts (see Appendix) will also have copies of census tract population, land area, and poverty rates, along with maps of the tracts, to provide eligibility assistance. Rural EZ/EC State Contacts cannot determine the boundaries a community ought to use for its Zone or Commu-

> In most circumstances, the definition of "rural" for the Empowerment Zone program should be broad enough to permit areas with essentially rural character, even if partially located within a Metropolitan Area (MA), to apply as rural EZ/ECs. However, in some cases, such as when the rural portion of an MA is cut off from non-MA rural areas by physical barriers such as bodies of water or mountains, exceptions may be considered.

> For the Empowerment Zone/Enterprise Community program, Indian Reservation means a reservation as defined in section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)) or section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903 (10)).

nity area, but they can assess whether a particular census tract or block numbering area is eligible and help with questions concerning eligibility rules. Final decisions as to the exact boundaries of a proposed Zone or Community must be made at the local level.

Modest waivers of a portion of the poverty rate criteria are possible for communities that choose only to apply for Enterprise Community status. If a community is considering seeking a waiver of the percentage-of-poverty required for a census tract, it should review the criteria in the *Application Guide* carefully, then discuss the proposed waiver with its Rural EZ/EC State Contact. Communities may then submit formal requests for waivers to the EZ/EC Team, USDA/RDA, Box 3202, 14th and Independence Ave SW, Washington, D.C. 20250-3200. The Secretary of Agriculture has stated that he will, consistent with the statute, approve all requests for this type of waiver.

On the other hand if a community seeks a waiver of the definition of "rural," it must write to EZ/EC Team, USDA/RDA, Box 3202, 14th and Independence Ave SW, Washington, D.C. 20250-3200. Requests must include the name, address and phone number of the community's representative and sufficient information to support the request for an exception from the definition.

With regard to Indian Reservations, the statute provides that "No empowerment zone or enterprise community may include any area within an Indian reservation." Questions concerning eligibility may be discussed with the Rural EZ/EC State Contact.

Step 2: Decide to Apply for Designation

Applying for designation is not like applying for other Federal funds because the Empowerment Initiative is not a typical program. It is not really a program in the traditional sense—it is a series of funds and initiatives in several Federal agencies that are linked locally to help mobilize Federal and other resources and to promote community-wide change and development. For this reason entire communi-

and development. For this reason entire communities must apply for designation.

Communities may follow any number of approaches to deciding to apply. One approach, and many other possibilities are outlined here.

1. Prepare and Widely Distribute a "Possibilities Paper." Describe in the paper the initiative, outline its potential for the community, discuss the implications of seeking designation, and suggest a community decision-making process for seeking designation.

2. Think and Talk About Change. Seeking designation is a commitment to ten years of community change. Talk about the desirability of change in a variety of formal and informal settings. Identify and link a community-wide network of supporters for change. The larger the number of community interests that are involved, the more likely change will occur.

3. Convene One or More "EZ/EC Information Meetings." Provide and share details and discuss the implications of seeking designation. All perspectives need to be considered.

4. Decide to Change—By Applying for Designation. There is no prescribed way to make this decision. However, the changes will affect the whole community, so as much consensus as it is possible to generate in the time available is desirable. The decision should involve as many persons and interests as possible. This is a big commitment; to do less involving a smaller number of people invites dissension and opposition at a later date.

5. Submit a Notice of Intent to Participate. Once a decision to apply for designation has been made, send the Notice of Intent to Participate form to USDA. This is not required, but it will ensure that potential applicants are kept informed of any changes in this initiative and provided with other information as it becomes available.

Step 3: Make Role and Responsibility Assignments

Any systematic approach for assigning responsibilities can be used. One approach which involves identifying people who will play the six key roles is outlined below. Whatever approach is used, a community must insure that all significant community interests are represented in this process—especially people from the low-income community. Some of these roles may be performed by the same person.

Sponsor(s). This is not the Applicant Entity; it is the individual(s) who will initiate the process. Every community has some people who initiate change and others who try to keep change from occurring. Ideally, a community's change-initiators will spon-

sor the designation efforts and help obtain resources needed for planning. Although they may or may not be actively involved in the planning, they can help support the process at "crunch" times.

Champion(s). Someone needs to be the champion. A champion is a leader who sustains and coordinates the effort. Champions promote the thinking, research, and advocacy necessary to keep the application process moving forward and put the wheels back on track when the process is derailed.

Mini-Champions. Mini-champions can represent a variety of community interests. They may or may not devote a great deal of time to the application process, but when the grumbling and nay-saying starts in their respective spheres of influence, they are the ones who must stop it quickly by stepping forward and reaffirming their support for efforts.

Decision-Makers. A group of people who are respected and trusted by their peers should act collectively as the decision makers. Decision-making should be an open process, with an agreed upon way to allocate resources, ensure that deadlines are met, and keep the application process on track.

Planners and Other Staff. Some communities may be able to use staff from local economic development organizations, governmental agencies, community action agencies or other nonprofit organizations. Often, however, the people who perform these "staff support" tasks will not be paid. The process will go more smoothly if both paid and unpaid staff are given specific assignments for each step of the process and if relationships among the various planning bodies are defined. In one sense, every citizen needs to be a "planner," because no one person or group can speak for all the others. To be representative and truly democratic, views and opinions should be solicited from the entire community. Being an "expert" is more than having an advanced degree, title, or position. Persons with problems are often the best source of information about what can be done to solve them, just as recipients of services and participants in programs may well have the best information about the strengths and weaknesses of current economic, community and human development activities.

Strategic planning can include data collection and analysis, surveys of local residents and businesses, and other time-intensive activities. Rural communities often call upon students, churches, utilities, hospitals and others to provide this support at low-cost to the community.

Some communities may seek the assistance of an outside facilitator to guide them through the planning process. A facilitator may come from university extension, private consultants, regional

development organizations, or a community action agency. Some states have established programs to provide such assistance to rural areas. Facilitators can help organize the process at critical stages. They can provide continuity. They can provide background materials such as drafts of survey forms, data or data analysis, training tools, and planning process models and methods. Their perspective, neutrality and credentials can help resolve conflicts. They often provide information about new ideas of development and ideas for sources of financial assistance. Rural EZ/EC State Contacts can provide information on potential facilitators in some states or regions and about the availability of Federal funds for this purpose. However, to make sure the community is committed to the process, the entity providing funds to support the process often asks the community to pay part of the cost. When using a facilitator it is important that the community maintains ownership of the final plan and assures that community concerns are satisfied and the proposed goals and strategies have widespread support in the community.

Step 4: Create a Response Structure

There is no best way to organize a community-based planning effort, but an effort that is organized and structured will fare better than one that is not. The community needs to develop methods for community-wide input, decision-making, conflict resolution, resource mobilization, and procedures to address complex problems. The response structure or planning structure must have all sectors of the community in these mechanisms—especially the low-income citizens! The response structure must seek and obtain the empowerment needed to make the structures work and the process a success. As one arrangement, a community developing an Empowerment Zone or an Enterprise Community application could create a steering committee, a planning committee with several planning teams, and an application "staff." Each of these is described below.

A **steering committee** could represent a wide range of agencies, organizations, and interests. It could get the process going.

A **planning committee** (15-30 people) and several smaller planning teams could help develop the application. If drawn from a diverse array of community members, it could ensure that all community voices are heard. The planning teams would address specific planning problems and issues and would make recommendations to the planning committee. One criterion for participation would be experience, interest, and ability to help solve the is-

A community seeking designation must engage in a community-based planning process. This not only shows a commitment to self-improvement but also provides valuable experience for the planning process. Examples of community-based planning processes include, but are not limited to, the following:
- Aspen Institute's rural initiative,
- Community-based, comprehensive planning with the local Community Action Agency,
- Creating Economic Opportunities (Kansas),
- Future Search Conference (SearchNet),
- Mapping the Future of Your Community (Illinois),
- Master plan, or economic development planning,
- Planning for the Year 2000,
- Rural Planning Initiative (Kellogg Foundation),
- START Planning (University of Nebraska),
- Strategic Planning for Local Economic Development (Texas),
- Sustainable Community (Rocky Mountain Institute),
- Take Charge (North Central Regional Center for Rural Development), and
- The Quality Community Initiative (TVA),
- Communities in The Lead, Northwest Policy Center

sue in question. Persons from throughout the community should be involved in these efforts.

Either the steering committee or the planning committee (but not both) should be vested with the authority to make final decisions about what will go into the application. All major players should be represented on this entity so they are all in the room when decisions are made. Having two or more separate entities that perceive that they have the "final authority" is a recipe for gridlock.

Step 5: Develop a Strategic Plan

The strategic plan is the most important part of the application for designation. This is where the community describes its vision and how it will achieve it. This important step is covered in the next section.

Step 6: Prepare and Submit the Application Package

Suggestions for doing this are covered below.

Creating a Strategic Plan

Required Elements

The initiative requires each applicant to submit a strategic plan as part of its application. The plan must include the following:
- A coordinated economic, human, community, and physical development plan and related activities for the nominated area.
- Evidence that low-income people and other affected persons have been and will be full partners in developing and implementing the plan.
- A description of the nature and extent of the involvement of local institutions and organizations in the planning process.
- Details about the amount of state, local, and private resources that will be available.
- Details regarding public/private partnerships that will be utilized including details regarding roles to be played by universities, medical centers, and other private and public entities as appropriate.
- Details regarding Federal funds requested to support plan activities.
- A description of the base-lines, methods, and benchmarks that will be used to measure plan implementation success, including the promotion of economic self-sufficiency for area residents.
- Assurance that no actions are planned to assist businesses in relocating to the EZ/EC under circumstances that will amount to taking jobs from other areas.

The *Application Guide* organizes the elements of the initiative under four key principles:
- Economic Opportunity
- Sustainable Community Development
- Community-Based Partnerships
- Strategic Vision for Change

At each step in the planning process, a community should review how these four key principles relate to the activity at that step. Since these are also key elements of the review criteria, communities must provide substantive information on each of these topics.

Getting Started

Strategic planning is an on-going process of decision-making and continuous improvement that will last longer than the ten years of the initiative. All major interests in the community must be full partners in developing and implementing the plan. And, the plan must focus on and promote job creation, economic self-sufficiency for individuals and families, and community revitalization, and must contain a vision for change. To the extent that existing planning processes and products serve these ends, they will be a useful starting point for strategic planning. To the extent that they do not, new planning processes and products will be required.

For communities not already engaged in a strategic planning process, the steps and elements may be helpful in starting one.
1. Develop a Planning Timetable. A brief (one or two page) planning timetable that describes what will be done in the planning process, when, and by whom will be very useful.
2. Involve a Broad Range of Participants. Care should be taken, up-front, to ensure that the entire community is involved in planning. Insure that low-income persons and organizations serving them are full partners in these efforts. These persons and organizations should be involved in decision-making at each key step of the planning process, including: shaping the planning process; proposing boundaries; developing the vision/values statement, designating or creating an applicant entity; assessing the community opportunities and problems, analyzing resources; deciding goals, setting priorities, and developing strategies.
3. Obtain Resources. A strategic plan cannot be developed without resources. People, places (meeting rooms and work areas), and things (computers, copiers, etc.) will be needed. A budget should be developed early in the planning process to address these needs, and commitments should be obtained.

The Strategic Planning Process

There are many possible ways to do strategic planning, and applicants should use the approach they prefer, provided that it is an open process that yields the products described in the statute. The strategic planning process outlined below is not required; it is offered only as a guide to assist communities that may not have a strategic planning process at hand. This suggested process consists of nine key tasks; each is discussed below.

1. Develop a Vision/Values Statement

A plan should start with a "Strategic Vision for Change." A vision can be timeless, as it is a description of a dramatically improved community in terms of its economic opportunity, self sufficiency and community development. It may take generations to achieve; the program offers an opportunity to develop a strategic plan for the first ten years of that effort. The process of developing a vision/values statement is the logical first activity in strategic planning. This statement will identify, in general terms, what the strategic plan is intended to do.

A vision/values statement should project at least ten years into the future, both for the proposed Empowerment Zone or Enterprise Community and the surrounding community. The vision portion of a vision/values statement can cover the intended target populations, the changes that will be brought about in the lives of these target populations; and the general approaches that will be used to bring about these changes.

The values portion of a vision/values statement can clarify or suggest preferences in such matters as: the extent to which efforts will be efficient and effective; how people receiving services will be treated; the nature of relations between public, private, and nonprofit community groups and organizations; the nature of relations between the community and outside groups, agencies, and organizations; and the desirability of continuous improvement. These values constitute the rules of the game: statements of desired standards of community ethics and interpersonal behavior that will promote the civic spirit necessary to revitalize the nominated area. Ten or fifteen explicit values will improve the public's perception of the fairness of the process. For example: "Assistance will be provided to those who need it most." Or, "Employment growth should occur without significant displacement of existing businesses or families."

In writing vision/values statements, the vision elements should be kept separate from values elements. To the extent possible, every affected person should be involved. A special effort should be made to involve citizens in the process. Buy-in at this point translates into support for the rest of the planning process.

The vision/value statements set the tone and direction for the remainder of the planning activities. In an ideal world, the remaining planning steps would be done in sequence so that people can learn together as the process develops and so that everybody is working with the same facts and under the same assumptions. As a practical matter, many of these tasks may have to be done simultaneously, with the results of various task forces being keyed into the process as their work is completed.

2. Community Assessment

Once a vision/values statement has been developed, attention can focus on describing, quantifying, and analyzing opportunities, community capacities and problems. The purpose of this assessment is to gain a better understanding of what is happening and why. It is to learn together about how the local economy is structured and how it operates. It is to identify the assets and the opportunities of the area, as well as the problems.

A community has many tangible and intangible assets and capacities that can be further energized, including the energy and abilities of its people; these are the primary bases for development. In this phase, an assessment of strengths, weaknesses, opportunities and threats can be done. Examine the social, demographic and economic trends. A clear picture of business, employment, housing and social service trends, opportunities and issues should be developed.

There may be obvious physical barriers to development, such as water or wastewater facilities. Or it may be less obvious such as many small problems that combine to act as a barrier. And, since the initiative invites recommendations for changes in government policy and practices, the assessment should include an effort to identify the **barriers** to economic opportunity or coordinated community development. These barriers may be in statutes, regulations, paperwork or the informal but important areas of "corporate culture" or day-to-day practices. A strategic plan could have a section that identifies these barriers and propose changes in them. The *Application Guide* suggests that state and local governmental barriers be examined in addition to Federal barriers.

Communities can greatly simplify their assessment efforts by using an agreed upon list of issue categories when soliciting community views. Under each of these it could describe opportunities, capacities and problems. One possible set of categories follows:

Issue Category	Examples
Arts/Recreation/Culture	Facilities, programs.
Basic Needs	Food, housing, clothing, household goods, equal opportunity.
Business Opportunities	Large, small, and micro-business, self-employment, and supplemental income opportunities.
Education	Preschool, primary, secondary, post-secondary facilities, programs and opportunities.
Environmental Quality	Quality of air, water, land. Unpleasant noise, odors.
Health	Physical, mental, dental, and reproductive health; substance abuse and addiction.
Housing	Affordable, adequate, safe, uncrowded.
Jobs	Unemployment, underemployment, wage levels, work force development, other labor market issues.
Personal/Family and Youth Development	Literacy, parenting skills, household management, interpersonal skills abuse in a variety of forms.
Physical Assets	Natural resources, land use, physical infrastructure—transportation, water and sewer, communications and links into the "information highway," and other amenities and design elements.
Safety/Security	At home, school, work, in the community.

The assessment phase is also where a community should identify the **causes** of the barriers or problems. After the causes are identified, then it is possible to identify **strategies** to address the causes of the problems. Once barriers, causes, and strategies that address causes are set out in logical sequence, a community will have a solid basis (or starting point) for problem-solving efforts. It also makes it much easier for community residents to proceed to the next set of tasks: ranking problems, determining goals, and selecting strategies to use.

This sounds easy, but in practice the process is complicated because people often confuse descriptions of problem conditions, causes of problems, and strategies to address causes. Consider, for example, the following three statements:
- The problem is there are too many unemployed people in this community.
- The problem is that people don't have the right job skills.
- The problem is the college does not offer enough computer classes.

In fact, these are not all problems. Only the first is a problem. It reflects a failure to achieve a community objective of providing jobs for all people in the labor force. The second statement, limited job skills, is a problem cause; it is one reason why

people do not have jobs. And, the third statement is a strategy to address the cause of the problem, which is limited job skills. Assuming the statements are accurate, it is possible to link them as follows:

* Too many people in this community are unemployed (**problem**).
* Some people are unemployed because they do not have adequate job skills (**problem cause**).
* Computer classes offered by the local community college would address this problem cause (**strategy**).

Most problems have multiple causes and therefore require multiple strategies, but it is helpful to unravel the problem condition, causes and the strategies that address the causes before setting priorities.

3. Problem and Opportunity Ranking

Once problems, causes, and strategies are sorted out, a ranking process that involves area residents can be initiated. One approach is to begin with a review of two factors for each problem: its relative **severity** (intensity) and its **magnitude** (number of people affected). Values can be assigned to each, from 1 (low) to 5 (high). By multiplying the severity rating times the magnitude rating, a relative ranking of all problems can be developed.

Some strategies may address opportunities, rather than problems. Opportunity areas can be ranked in terms of probability of success, amount of payoff if successful and other parameters. Ranking opportunity areas and problems early in the process seems like an abstract exercise but that is its value. This will save a lot of time down the road when setting priorities—when the issues can get very personal. One use of the problem ranking, for example, is to allocate the amount of time spent discussing each problem in a public meeting. Severe problems get 1 hour, moderate problems, 30 minutes; low priority issue,s 10 minutes. This helps structure discussion and prevent filibusters by the people who have as their number one priority an issue that is relatively low ranked.

Once the community has ranked problems, identified significant problem causes and started discussing strategies that can be used to address the causes of problems, then a resource analysis can be conducted.

4. Resource Analysis

This analysis will identify Federal, state, and local level resources. These resources can include people, funds, facilities, Empowerment Zone and Enterprise Community tax credits and other incentives, and equipment that is available or that can be mobilized and used to address highly ranked problems and to implement preferred problem-solving strategies. This is where specific capacities and assets in the community are identified. How many of them can be utilized or enhanced to achieve the vision? The emphasis should be on both traditional and nontraditional ways to invest resources. Creativeness is essential. Arrangements should be made to leverage private sector and public funds and to develop innovative partnerships that link funds and service delivery. Committed and motivated people are at least as important a resource as dollars.

This section could include part or all of the explanation on proposed use of the Title XX Social Services Block Grant funds, administering entities and certifications from them, and other information as required in the regulations. If the information is not included here, it could be included in the description of strategies to be used, or in the work plan.

Finally, resource analysis is a logical place to begin identification of ways in which waivers of existing Federal, state or local regulations might increase the effectiveness of the use of available Federal or state funding or remove other barriers to self-sufficiency or implementation of the strategic plan.

5. Priority Setting

Out of the range of possible actions, what are the community's priorities? In most communities, differences of opinion and resource limitations mean that some highly-ranked a problems or opportunities may not be included in the strategic plan as a high priority action item, at least in the short run. These differences between problem or opportunity rankings, on the one hand, and strategic plan priorities, on the other, represent both critical community choices as well as unmet community challenges. These differences should be explained in the strategic plan, along with a description of efforts that will be taken to close the gap between community issue rankings and plan priorities over the ten-year strategic plan period.

Setting priorities may involve such criteria as:
* Problem rank
* Opportunity rank
* The likelihood that successfully addressing a problem will lead to self-sufficiency
* Cost, availability of resources, resource leveraging potential
* Partnership creation potential
* Involvement of community residents

- Other capacities that can be brought to bear immediately, or eventually
- Readiness of organizations to tackle the problem (enthusiasm counts for a lot)

Strategies that encompass relatively more of these criteria would be preferred to strategies that address only a few.

6. Determine Long-term Goals

What will be accomplished or changed in the long-term? What will the measurable outcomes be? Ten years seems very far away until we look at many large-scale development projects that have taken twenty or thirty years to complete. If we think of a community as a large-scale development effort, then long-term goals seem reasonable for producing major improvements.

Given that the Empowerment Zone program is a ten-year initiative, at least some of the goals in a community's strategic plan should be ten-year goals. It will take the life of the strategic plan to achieve them. Some goals may extend beyond the ten-year period, and others may be achievable in fewer than ten years—depending on how long it takes to implement the strategy.

Goals should be explicit and measurable. Goals should change the condition described in the problem statement, or they should realize some other outcome. Examples might include the following:

> **Goal:** Have our Zone or Community and county become recognized throughout our state as a focal point for the Sustainable Something sector of the state economy. We will generate XYZ MEASURE of new economic activity by Z date.
> **Goal:** Establish Montana Beef as a brand-name in Japan and to export NNN thousand pounds of beef to Japan annually by the year 1995. This will result in PP more jobs in this industry in Montana.
> **Goal:** Help 500 low-income people do X by plan-year ten.

Planners sometimes hope to be able to take action on enough variables to produce a change that affects a social indicator, such as per capita income. This is a major challenge for existing planning methodology, strategy selection and resource mobilization, but it may be possible in an Empowerment Zone or an Enterprise Community. A community that believes it can influence all the relevant variables might say:

> **Goal:** Have, by 1998, an unemployment rate that is 3% lower than the statewide (or other geo-graphic comparison) unemployment rate for the population group with the following characteristics: a, b, c, d.

A strategic plan should describe as many goals as a community has been able to develop and obtain support for, but it is not necessary to begin working on every goal in the first year. The timetable for working on a particular goal or initiating a specific strategy may not begin until several years later. The plan should include a ten-year timetable that shows a proposed schedule for beginning action on each goal—and for reaching it.

7. Select Strategies. How will community goals be pursued?

In reviewing alternative strategies for reaching community goals, communities should answer questions such as these:
- Do the strategies attack the root causes of the problems?
- Are they powerful methods for change?
- Do they involve partnerships among sectors as called for in the *Application Guide*? (Partnerships are key elements as both a method for and a result of creating an entrepreneurial social infrastructure that supports local economic development)
- Are proposed strategies cost-effective?
- Is there another strategy that could achieve the same result but at a lower cost to the community or to society as a whole?

Selected strategies may be described in various ways. For example:

> In order to accomplish Goal # __, we will use the following approach. . .

> To accomplish Goal # __ , we will create a new academically accredited but non-campus based School of Sustainable Studies in our community by the year 2000 with at least 100 students enrolled. The learning experience offered here will directly link to and help stimulate the competitiveness of local businesses involved in XXX sector of the economy, enabling them to. . .

Most planning processes are described as consisting of linear, sequential steps, but early in the assessment phase some people begin to"think forward" about goals and strategies and examine them in terms of every step in the planning sequence. Others think comprehensively and are concerned about how a strategy affects other strategies.

Others can see the negative consequences or possible unintended consequences of a strategy. Some people want to see results immediately; others can wait for a much longer period of time. As a practical matter the discussion about strategies goes in twists and turns as people bring in their personal criteria, perspectives and other issues of concern to them. This is a positive feature of the public process as long as people make their assumptions and their thinking processes explicit so that others can understand where they are coming from or trying to get to. Underlying every goal statement is a set of assumptions about the feasibility of the strategies that will be used to achieve it. That feasibility or "power" of a strategy is a key element that people use to calibrate the amount of the goal they will try to accomplish.

8. Developing the Initial Work Program

Each Zone or Community will develop a strategic plan that extends through the ten- year life of this initiative. (Indeed, a plan that is revised periodically may always extend at least ten years into the future.) Everything cannot be done at once, so there may be several implementation phases in a strategic plan. A good approach is to establish five 2-year implementation phases over the 10-year life of this initiative. The initial two-year action component begins to move toward the vision and to translate the values into practice in a way that everyone understands a) what is going to be done, b) at what cost, and c) how success will be measured.

Each two-year implementation phase would "carve out" from the overall strategic plan whatever it is that it will pursue and accomplish during that time period. This is where it identifies the specific opportunities, problems, goals, and strategies that are selected for the first phase of implementation. What will the community start working on now? This is where it gets specific about the objectives, and implementation costs—and about the results that will be brought about in the first two years as measured by benchmarks and other measures.

These two-year work programs can be done more easily if problems, problem causes, and strategies to address problem causes were sorted out during the ranking and priority-setting efforts. Using the same example of jobs, limited skills, computer training that was included earlier—and adding in the results of the planning process from the intervening steps—the action plan elements might look like this:

From the strategic plan:
• Vision and values

• Assessment:
    – Problem: 1,000 people are unemployer
    – Opportunity: Companies need operators with computer skills; local residents can learn these skills
• Ranking: High, as determined by. . . etc
• Resources: obtainable from . . . etc
• Priority: High, based upon . . . etc
• Ten-Year Goal (what): At least 100 people will find a quality job that makes use of new computer skills
• Strategy (how): Computer skills training

In the two-year work program:
• Objective: Provide training to 20 people who do not yet have high school diplomas; at least 10 of these persons will find a quality job that makes use of their new computer skills within two years
• Cost: $10,000 will be used to provide computer skills training
• Who: the beneficiaries will be selected based on the following criteria. . . .
• Implementation Methods. Who will do what to make this happen? Who has made a commitment to hire them?
• Barriers that need to be removed include . . . etc.
• Outcome measure: change in economic self-sufficiency. The families of at least five of these persons will become self-sufficient as a result of this employment income.

This example could enhance **economic opportunity** and lead to increased **self-sufficiency.** This is a vertical/functional example from the employment and training self-sufficiency projects in community action agencies to illustrate both the structure of the analytic process and how the strategic plan relates to Phase I of its implementation—to the two-year action component.

This example could be taken further to illustrate **coordinated community development** in which the goal and strategies would be more complex and more elements would be interrelated. The above example, if expanded to coordinated community development, might include:
• The use of tax credits for the employer who hires the people being trained
• The provision of social services (day care and transportation) for prospective employees
• Use of bond funds to expand the facility at the place of employment
• A loan obtained with help from the Small Business Administration's "one-stop shop"
• A tax deduction for new equipment

- A commitment from the employer to clean up an unused portion of their property
- A commitment from a community-based organization to work with the employer on traffic problems caused by trucks going to and from the business
- Community policing to make the area around the work place more safe
- A commitment from the employer to donate a percentage of anticipated profits or savings to the AE to help implement the rest of the plan

9. Continuous Improvement Process and Products

Neither the first version of the ten-year strategic plan nor the initial work program will be a perfect document; however, the quality of the processes and activities should continue to improve steadily during the ten-year initiative.

In the past, some Federal initiatives have been launched without requirements for assessing the results of what was achieved. Left to their own dynamics, the reporting requirements in most publicly funded programs evolve in the direction of collecting mountains of information about people served or testing compliance with thousands of tiny rules and procedures on the premise that procedural compliance produces results—or at least protects against criticism. In contrast, the program focuses on using information to continuously improve effectiveness and to enhance results.

Monitoring and evaluation will help local operators track their progress and performance, understand the benefits and effects of their activities, and make well-informed decisions for improvements in the strategic plan or two-year action components. These activities will also inform the Community Enterprise Board about the progress of the initiative.

A continuous improvement section in the strategic plan would help guide and drive these efforts. It could describe what information will be gathered, how it will be gathered and how it will be used. The description of proposed programs and other activities in a strategic plan must also specify data collection activities to be conducted during implementation. This will include indicators to be used as benchmarks and outcome measures. It includes the procedures for monitoring and assessment. It includes the level of resources and other arrangements necessary to implement the information-gathering activity. It should include a description of how the results of these activities will be used to update the strategic plan and shape the next two-year work program. Each of these is described below.

a. Baselines, Benchmarks, and Methods for Measuring Success

The strategic plan should describe how achievement of objectives will be measured. The publication "Targeting Aid to Distressed Rural Areas: Indicators of Fiscal and Community Well Being," USDA/ERS Staff Report AGES 9067, is a source of possible measures. Call 1-800/999-6779 for a copy.

b. Reporting on Progress

Once Empowerment Zone and Enterprise Communities have been designated, USDA will provide additional guidance on how to report on progress and problems.

c. Process Evaluation

Did people do what they were supposed to do, on schedule, and on budget? Periodically, a community should analyze what went right and what went wrong and why, and identify what will be done to prevent similar problems in the future. A process evaluation helps answer questions such as "What adjustments, additions, or deletions are needed in the approaches we are using to implement our plan?" and "How can we do it better?" It may be possible to do a process evaluation at the end of the first year, or it may be more effective to couple it with the biennial review and update. Whatever type of evaluation a community decides to do, the evaluator should be involved in the planning process to help make sure that the goals are measurable and that "evaluate-ability" is built into the program or project. It is very difficult to evaluate a project unless evaluation and data collection requirements are designed during the program planning process.

d. Output Evaluation

The extent to which objectives were reached and the results that were achieved during each implementation phase should be reviewed. This answers the question "How much of what we said we were going to produce did we produce?" This is an "output evaluation." Measurement of the results will be possible only if the plan contains clearly written, measurable objectives. The strategic plan could identify the projects or programs on which there will be an output evaluation.

One excellent source of guidance on process, output and outcome evaluations is available from the HHS Administration for Children and Families, Office of Community Services, which administers the Title XX program. The publication is: "Evaluation Guidebook for Demonstration Part-

nership Program Projects." Write to: HHS/ACF/ OCS, 5th Floor, 370 L'Enfant Promenade SW, Washington, D.C. 20447.

e. Review of the Strategic Plan

The action component of the plan should include a specific description of how the community will sum up its experience. How will the community describe the knowledge it has accumulated and use that knowledge to refine what it will do and how it will measure progress for the next phase of strategic plan implementation? The results of all evaluations should be fed back into the process for continuous improvement. This process should include provisions for annual reviews.

The review may also include an assessment of the other elements of the human services delivery system in the community. This review encompasses both "How is the community doing?" and "How are the delivery system agencies doing?"

This review looks at changes in the problems or opportunities that were described in the strategic plan and scans the environment for new problems or opportunities.

The review could be a formal process over a period of several weeks and involving many of the same people involved in developing the strategic plan. The review process will lead to conclusions about adjustments in the strategic plan itself. It may lead to identification of new waivers, partnerships or other resources that are needed. The review is an opportunity for revitalizing the strategic plan and the partnerships.

f. Amendment Procedures

Every finding from the evaluations and the review should not instantly cause a change in the plan. An official, public process is needed to change the plan so that the people who helped develop the plan can learn about the proposed changes and participate in approving them. The decision-making processes and other procedures for amending either the ten-year strategic plan or the work plan should be described, with special attention given to the roles of low-income people. (An amendment of one will often require amendment of the other.) Just as the whole community was involved in the initial development of the plan, the same thing should be done as the plan is improved.

Proposed changes in the strategic plan must be negotiated with the Secretary of USDA.

g. Outcome Evaluation

The outputs (action accomplishments) should accumulate and build toward the desired outcomes (results) that are described in the multi-year goal statement and other components of the strategic plan. The strategic plan should describe methods that will be used to examine the differences that efforts actually made in terms of pursuing opportunities, resolving high priority problems and enhancing the self-sufficiency of community residents and other key elements of the initiative. This is the "outcome evaluation."

Strategic Plan Products

What are the results of the process? The strategic plan does not have to follow any specific format. Still, the generic list that follows helps a community touch all the bases no matter what planning model is used. Most comprehensive planning systems cover most of the following topics.

1. **Vision and Values Statements**
   a. What kind of community do we want to become?
   b. What is our strategic vision for change?
   c. What values will guide our activity?
   d. How will we do our community-based planning?
      1. Plan for planning, marketing methods
      2. Support for the community participation process

2. **Community Assessment**
   a. Trends/conditions (economic, social, etc.)
   b. Problems, including barriers
   c. Describe the causes of problem conditions
   d. Community strengths
   e. Opportunities

3. **Ranking Problems (magnitude/severity)**

4. **Resource Analysis**
   a. Existing resources, assets, capabilities
   b. New resources needed
   c. Waivers, system changes

5. **Priorities**
   a. What problems/opportunities will we address?
   b. In what order?

6. **Goals for the Ten-Year Initiative**
   Some goals may be for longer or shorter periods. These could be grouped under the key principles or sections of the initiative, including:
   • Economic Opportunity, Human Development,
   • Coordinated Community Development, etc.
   • Under each major heading, describe:
   a. What will we do, by when?
   b. What will we change (condition, problem, barrier, opportunity)?
   c. How will we measure the change?

7. **Strategies**
   a. How will we attack the causes of problems or seize opportunities?
   b. How can we best achieve each goal?
   c. How will partnerships help us achieve our goal; how will they become part of each means to an end?

8. **Phase I Work Program**
   a. What parts of our strategic plan will we begin in the first two years?
      Initial activities, projects and programs.
   b. What are our objectives? How will we measure our results?
   c. What parts of our plan will be finished in the first two years?
   d. Staffing/commitments
   e. Commitments, coordination and linkages.
   f. Partnerships and other cooperative efforts
   g. What barriers to implementing our plan do we see ?
   h. What are our ideas on waivers needed to implement this plan?
   i. New applications being submitted for Federal funds
   j. Capacity building for local structures and processes

9. **Assessment: Learning and Improving**
   a. Baselines, benchmarks, measurements
   b. Annual reporting on progress
   c. Process evaluation
   d. Output evaluation
   e. Annual review and strategic plan updating
   f. Amendment process

Preparing and Submitting the Application Package

The application package will contain three forms, three worksheets, and the strategic plan.

The Three Forms

1. **Notice of Intent to Participate.** Prospective applicants for designation can submit a "Notice of Intent to Participate" form at any point in the process. This is not a required submission, and it does not have to be in the application package. Communities that notify USDA of their intention to participate will be contacted by USDA field representatives and will be offered assistance during the application process. In addition, the notification will put a community on USDA's mailing list, to ensure that it receives any additional information, such as revised program regulations, that becomes available during the application process.

2. **Nomination Sheet.** The nomination is made by the state and local level elected official(s) of general purpose units of government that contain the proposed Empowerment Zone and Enterprise Community, or by a State-chartered economic development corporation. (These signatures do not all have to be on the same sheet; use separate sheets.)

3. **Eligibility Information and Certifications.** This includes the census data and information necessary to confirm that the proposed area meets statutory requirements. It contains the request for any waiver of these requirements. And, it contains certifications relating to Empowerment Zone and Enterprise Community activities—the most important of which is the commitment to implement the strategic plan. (Early in the process this can be used to explore options for boundaries.)

The Three Worksheets

1. **Population Data Worksheet.** This form is used to identify the census tracts or block numbering areas that will be included in the proposed Empowerment Zone and Enterprise Community and it lists their poverty population, overall population, and land area.

2. **Participating Entities Worksheet.** This form lists the groups that were involved in developing and will be involved in implementing the strategic plan. Participating Entities can include units of local government, quasi-governmental bodies, private sector businesses and organizations, non-profit agencies, and community-based groups and organizations. It also identifies the Applicant Entity and the administering entities.

3. **Listing of Federal Program Applications Worksheet.** On this worksheet, list the applications for Federal funds that will support efforts that have been submitted by Participating Entities and pending as of the date an application is submitted, or that will be submitted.

Strategic Plan

There is no prescribed form or format for strategic plans. However, plans should be easy to read, understand, and use at the local level. Accordingly, applicants may want to include an index, table of contents, introduction, section summaries, tabs or cross references to legislatively specified content, appendices, and other features that will make the plan "user friendly" to the community. The Application Guide contains additional guidance.

Where to Submit the Application

The deadline for receipt of EZ/EC applications is Thursday, June 30, 1994, at 4:00 pm Eastern Daylight Time. Mail or hand deliver the **original and one copy** of the application to:
U.S. Department of Agriculture
EZ/EC Team
Room 5405 South Building
14th & Independence Ave, S.W.
Washington, DC 20250-3200
(202) 690-1045

Advice Concerning Strategic Plan Content

The following suggestions are offered concerning strategic plan preparation:

1. Quality of the Strategic Planning Process. The law specifically requires widespread participation by low-income people in the EZ/EC planning process. The validity of the process must be established by material submitted in the application. There must be evidence of a community-based planning process with widespread participation by low-income people. The evidence validates the behavior and actions that took place during the planning process, and it includes some byproducts of the process.

Community Participation:
- Was there a commitment to diversity in the planning process?
- Were diverse populations and interests involved?
- Taken as a whole, are participants broadly representative of the entire community?
- Is there a written plan or methodology to insure community participation?
- Were low-income people included on the task forces that drafted the products, or just invited to meetings to review products prepared by others?
- Briefly describe the Participating Entities and the history of these groups and organizations in the community.
- To what extent were individuals not connected with an organization also involved?
- What is the extent of the participation of organizations? Do the names of the Participating Entities listed in the application appear in several places during the planning process? Or is this the list of people who signed the form "to help get the new Federal grant?"
- Was orientation and training provided to low-income and other residents to help them learn how to participate in the process, or were they left on their own?
- Was there an acceptance of controversy in the process, an acknowledgement that people do start out with different perceptions of what exists and what should be done?
- Did the number of participants increase as the process took place?
- Are the primary economic interests committed, indifferent, or opposed?

Planning Process Methods such as, but not limited to:
- Written description of planning structure, planning process, and timetable
- Specific delegations of authority from elected officials empowering the planning structure
- Description of marketing campaign, materials use
- Public service announcements, press releases, letters, brochures, speeches
- Outreach methods. How were participants contacted and recruited into the process?
- Advance publication of meeting notices, agendas for meetings
- Task force or committee membership lists available
- New coalitions, alliances, partnerships? Members
- Feedback forms or surveys that invite written input
- Citizen access to planning process; names and phone numbers of people to contact about various aspects of planning.
- Were there explicit "ground rules" about how decisions will be made, and by whom?

Planning Byproducts such as:
- Meeting attendance sign-up sheets reflecting inclusiveness and the diversity of people involved
- Minutes of meetings (can be in handwritten or summary form)
- Newspaper articles, reports, testimonials
- Community assessments, problem descriptions or analyses of opportunities
- Records of votes or other decision-making methods used to rank problems, set priorities, establish goals, select strategies, and to decide among other alternative courses of action

2. Comprehensiveness and Completeness of the Strategic Plan. The outputs or results of the planning process are described in the strategic plan. This includes, for example, partnerships that were formed and what they will do.

   a. Vision and Values Statements
   - Do the strategic plan describe the kind of community the applicant wants to become?
   - Does it incorporate a strategic vision for change?

   b. Community Assessment
   - Does the strategic plan describe opportunities, problems, and barriers?

- To what extent were theories of economic or community development used to analyze social and economic conditions, and to organize thinking about problems and growth opportunities?
- Does it describe social, economic, demographic and other environmental trends?
- Is the structure of the local economy analyzed, in relationship to the regional, national or global conditions or trends? Are local capital flows analyzed?
- Does it address the purposes and topics of the EZ/EC initiative as outlined in the *Application Guide*, e.g., economic opportunity, coordinated community development, partnerships and vision?
- To what extent was research or evaluations of past programs used to shape their rationale for action?

c. Reaching Agreements
- Does the strategic plan identify two or three issues where disagreements developed and describe how they addressed and resolved them?
- Were decision-criteria made explicit?
- Did any one group just overpower the others and dominate the process?

d. Ranking Problems, Needs and Opportunities
- Are problems, needs and opportunities ranked, or weighted equally?
- Are the problem conditions and problem causes unraveled? Or blurred together?
- Is this a list of problems for which the solution is always more Federal money?
- Is this a locally directed plan for growth where local people, initiative and resources are the key ingredients in seizing potential opportunities?

e. Resource Analysis
- Are existing capacities and assets included in the analysis?
- Does the plan describe what resources are needed?
- Does the plan propose use of existing assets, or is the plan largely or totally dependent on new assets?
- Does the plan describe how EZ/EC resources (SSBG, Tax Credits) and other Federal, state and private resources will be used?
- Is there a timetable for spending all funds?

f. Priorities
- Are priorities explicit?

g. Goals
- Are goals set for ten years? Longer? Shorter?
- Number of goals, benefits if achieved?
- To what extent are the goals proactive—based on factors they can control, versus reactive—dependent on uncontrollable factors?
- Do the goals speak clearly to the key principles of the EZ/EC initiative?
- Is there a timetable for starting/achieving each goal?
- Are measures for progress and outcomes specified?

h. Initial Multi-Year Work Plan
- What is the comprehensiveness and balance of the proposed activities (between social, economic, physical and institutional development)?
- Are initial **objectives** clearly stated? Is it possible to track the relationship between the strategic plan and the initial implementation phase?
- Do the **strategies** attack the causes of the problems?
- To what extent are the strategies innovative?
- To what extent are the resources needed for each strategy identified?
- To what extent do they identify private-enterprise solutions to seize upon opportunities?
- To what extent have they chosen cost-effective strategies designed to reduce costs to the community and to higher levels of society?
- To what extent are the strategies based on realistic assumptions or firm commitments about the responsiveness of businesses, individuals or other institutions needed to make them work?
- Are there coordinated or integrative strategies that link physical, human and business development?
- Do they describe how partnerships will be used as a core element of each strategy?
- Is there a description about how state and local agencies will work together in new responsive ways?

i. Roles of the Applicant Entity, Administering Entities, and Other Participating Entities
- To what extent are the roles of the Applicant Entity, Administering Entities, and other Par-

ticipating Entities described for the imple-
mentation of the plan?
- How will the community build the capacity
of the AE and other structures and processes
needed to implement the plan?
- To what extent does the plan describe how
state and local governments will reinvent
themselves?

j. Projects
- To what extent are the projects logically
linked with the plan and with each other?
- To what extent are narrow-gauged, stand-
alone projects being proposed?
- Are there new ideas based on the EZ/EC ini-
tiative, or is this a pre-existing "wish list?"

k. Barriers and Waivers
- To what extent does the plan identify barriers
that need to be changed to permit effective
implementation of the plan?
- Does it describe the specific changes that are
needed?
- To what extent were state and local as well as
Federal barriers described?

l. Assessment and Continuous Learning
- Is there a process for improvement?
- Are the goals and progress toward them
measurable?
- Are baselines, benchmarks and other mea-
sures identified?
- Is the process for measuring outcomes linked
to the process for amending the strategic plan
or the two-year work plan?
- Are the methods for obtaining the informa-
tion needed for continuous improvement de-
scribed, including the resources that will be
needed?

3. Commitment to Follow Through on the Plan During Implementation
- What concrete evidence is there that this plan
will be implemented?
- To what extent are there alliances and partner-
ships for change?
- To what extent have they generated local re-
sources needed for change?
- How firm are the commitments?
- Are there any cash commitments by local govern-
ment, businesses or others?
- To what extent are the there commitments to the
strategic plan? Do the entities making commit-
ments include a specific pledge to do so?
- Is there any collective assumption of risk by this
community (e.g., proposed investment in infra-
structure, loan pools, etc?)
- Is the infrastructure available that is needed to
implement this plan or does a plan for creating
it?

4. Field Visit for Verification of Information Submitted in the Applications.
After the initial screen-
ing, the finalists may be visited by USDA personnel
or their designees to review the contents of the stra-
tegic plan, including but not limited to community
participation in the planning process, commit-
ments to the plan and the partnerships among the
Participating Entities. There will be an exit inter-
view with the nominating officials. After the field
verification the final recommendations will be
made to the Secretary of Agriculture.

Where to Get Help

A. Federal Agencies

USDA Information: 1-800-645-4712
USDA Rural EZ/EC State Contacts (see Appendix)
HUD Area Offices
HHS/ACF/Office of Community Services

B. State Offices:

State data centers for census information
State Departments of Community Development
State Community Services Block Grant Office:
call 1-202-624-5865 to get the State CSBG office
State Social Services Block Grant Office

C. Universities, institutes, foundations, think tanks, local consultants.

Implementing the Plan

Communities that are successful in obtaining designation will be primarily responsible for implementing their strategic plan. Rural EZ/EC State Contacts will be available to provide ongoing assistance to rural Empowerment Zone and Enterprise Communities. Prior to designation, a plan for technical assistance and capacity building will be developed in consultation with each community.

Strategic plans must make clear the methods, procedures, and organizations that will be employed in plan implementation and must provide certifications concerning the readiness and commitment of community institutions to follow-through on the plan, if approved.

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Rural Enterprise Zones in Theory and Practice: An Assessment of Their Development Potential. Richard J. Reeder. USDA/ERS Staff Report AGES 9305. March, 1993.

Targeting Aid to Distressed Rural Areas: Indicators of Fiscal and Community Well Being. Richard J. Reeder. USDA/ERS Staff Report AGES 9067. November, 1990.

EZ/EC Resources

This is a list of EZ/EC resource materials that are available or will soon be available. Items marked by an asterisk (*) will routinely be sent to persons inquiring about the EZ/EC application process.

A.* Application Guide

B. Rural EZ/EC Interim Regulation and Notice, Federal Register, January 18, 1994

C. Urban EZ/EC Interim Regulation and Notice, Federal Register, January 18, 1994

D.* USDA, Rural Guidebook: Strategic Planning

E.* Application Forms

F.* USDA Rural EZ/EC State Contacts and National Office Contacts

G. HUD, Guidebook for Community-Based Strategic Planning for Empowerment Zones and Enterprise Communities

H. The EZ/EC Statute and Conference Report

Appendix: Rural EZ/EC State Contacts

Alabama
Richard Jones
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4121 Carmichael Road,
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Palmer AK 99645
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Fax:907-745-5398

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Little Rock AR 72203
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